

This letter discusses 9-1-1 surcharges. 35 ILCS 630 et seq. (This is a GIL.)

December 19, 2003

Dear Xxxxx:

This letter is in response to your letter received November 14, 2003, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

My office awards and administers local service contracts for telephone service on all Army installations in the United States. ABC is one of those locations. One area of concern on all Army contracts is the payment of taxes and surcharges. As you know the Federal Government is generally exempt from such payments. In 1997 this office submitted a request to the Army Audit Agency for a determination as to the Army's liability for 9-1-1 surcharges and taxes to the STATE. Their responses are attached for your review. As you can see the USAAA based their legal opinion on vendor vs. vendee tax and transaction privilege tax status. Illinois was not included in the original 1997 opinion.

Currently the Army is paying COUNTY local 911 surcharges. I request your assistance in determining if these charges are valid. Does Illinois taxing statutes establish 911 surcharges as vendee or vendor taxes? Should you determine that the Army is liable for 9-1-1 taxes, please cite the Illinois authority to collect such taxes from the Federal Government.

Should you require any additional information, please contact me

The Illinois Department of Revenue does not administer 9-1-1 surcharges. The Department does administer a Telecommunications Excise Tax. This tax specifically exempts the Federal government. The Telecommunications Excise Tax is imposed upon the act or privilege of originating or receiving intrastate or interstate telecommunications in Illinois at the rate of 7% of the gross charges for such telecommunications purchased at retail from retailers. See 86 Ill. Adm. Code 495, enclosed.

The 9-1-1 surcharge is implemented by local governments under the Emergency Telephone System Act. See 50 ILCS 750/15.3. You should contact COUNTY for information regarding their surcharge.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.